



Bank of America Merrill Lynch European Credit Conference 2016

London | September 7, 2016



**FRESENIUS
MEDICAL CARE**



CREATING A FUTURE
WORTH LIVING

Safe harbor statement: This presentation includes certain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Act of 1934, as amended. The Company has based these forward-looking statements on its views with respect to future events and financial performance. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings and the availability of financing. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. These and other risks and uncertainties are discussed in detail in Fresenius Medical Care AG & Co. KGaA's (FMC AG & Co. KGaA) reports filed with the Securities and Exchange Commission (SEC) and the German Exchange Commission (Deutsche Börse).

Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and the company does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable law and regulations.

If not mentioned differently the term net income after minorities refers to the net income attributable to the shareholders of Fresenius Medical Care AG Co. KGaA independent of being the reported or the adjusted number. The term EMEA refers to the region Europe, Middle East and Africa. Amounts are in US-\$ if not mentioned otherwise.

Fresenius Medical Care today

Every **0.7** seconds we **provide**
a **dialysis treatment**
somewhere on the globe



37

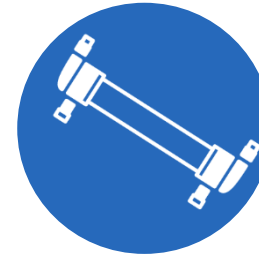
Production sites



3,504
clinics



301,548
patients



22,821,121
dialysis treatments
(1st half 2016)



106,556
employees



Our company profile

Percentage of 1st half 2016 revenue

Health care services

Dialysis services



Therapies & laboratory services for patients with chronic kidney failure

68%

Care Coordination



Businesses supporting dialysis, e.g. vascular services

13%

Products

Dialysis products



e.g., dialysis machines, dialyzers & bloodline systems

19%

AGENDA



Market dynamics

1

Business update & outlook

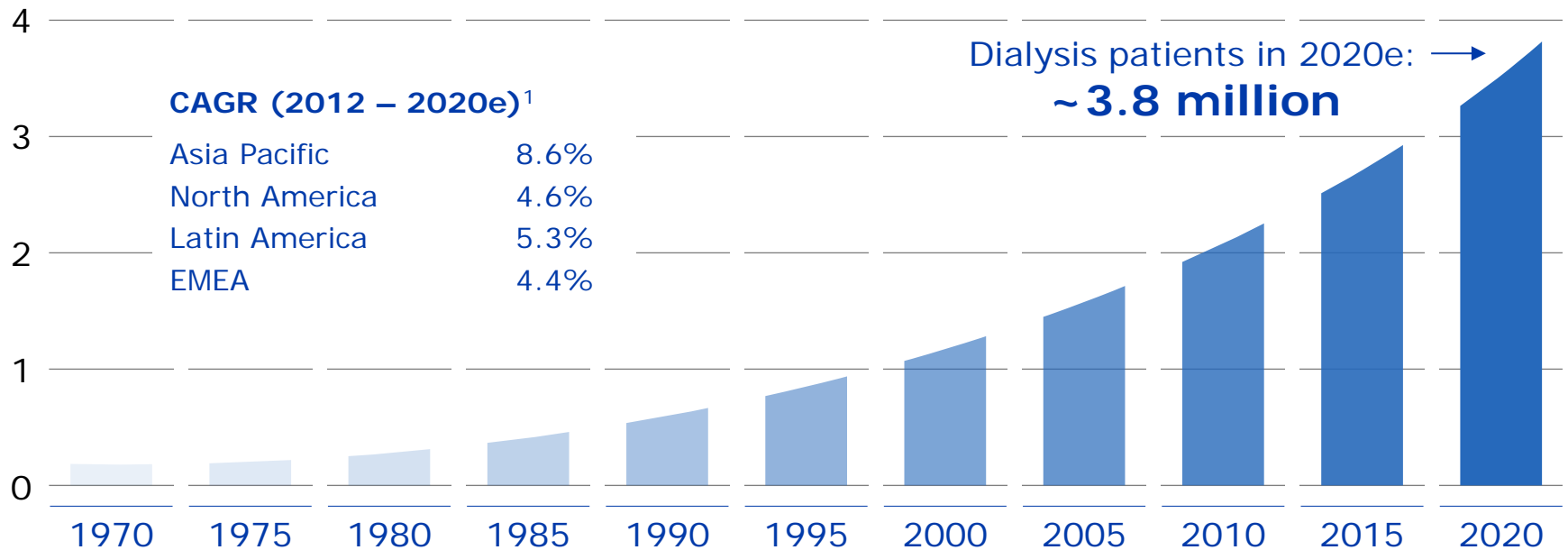
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Credit highlights

3

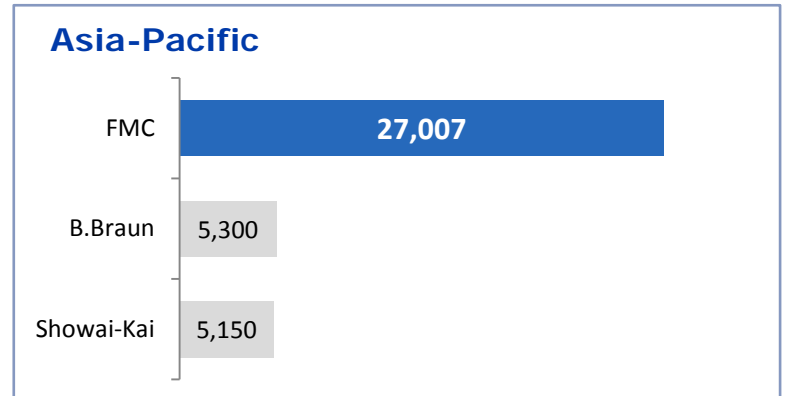
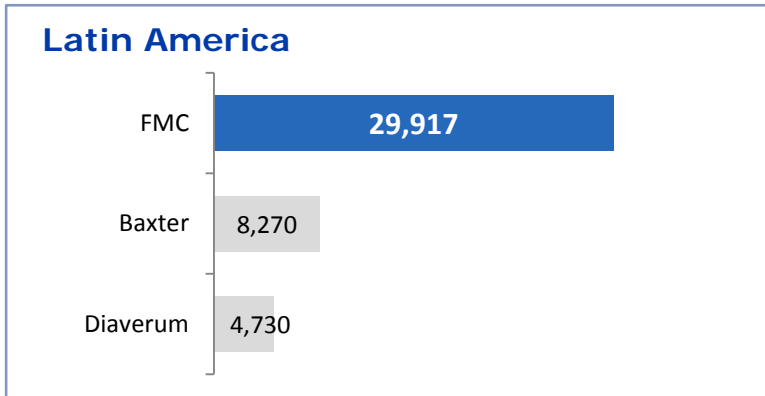
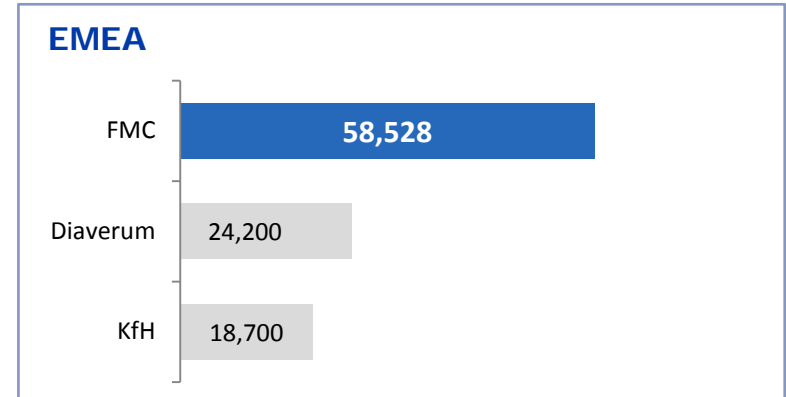
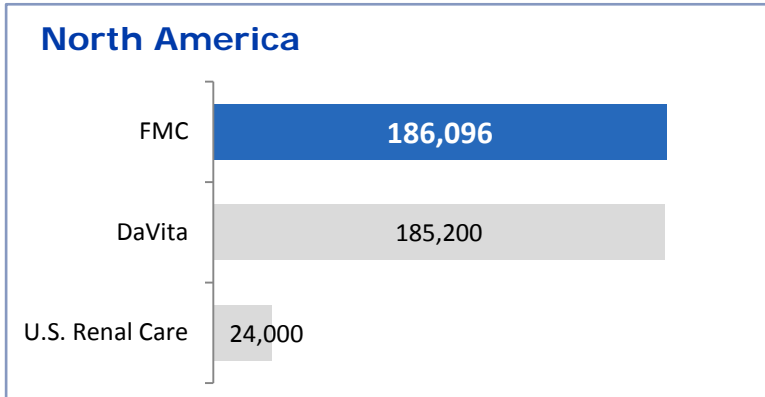
Expected global dialysis patient growth

- ▶ Expected patient growth of around 6% p.a.
- ▶ Driven by age, lifestyle and higher life expectancy



¹ Internal estimates

Dialysis services worldwide: Patients treated¹



**USD
~ 73bn
Market**

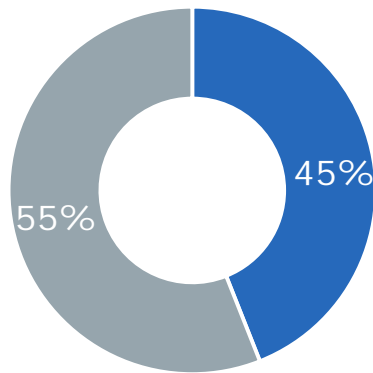
**We lead in every major market,
treating > 290,000 patients worldwide**

¹ based on company statements and own estimates.

Market position by major product groups 2015

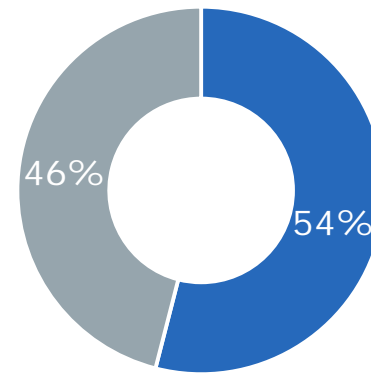
	Position 1
Dialyzers	FMC
Dialysis machines	FMC
Hemodialysis concentrates	FMC
Bloodlines	FMC
Peritoneal dialysis products	Baxter

Dialyzers

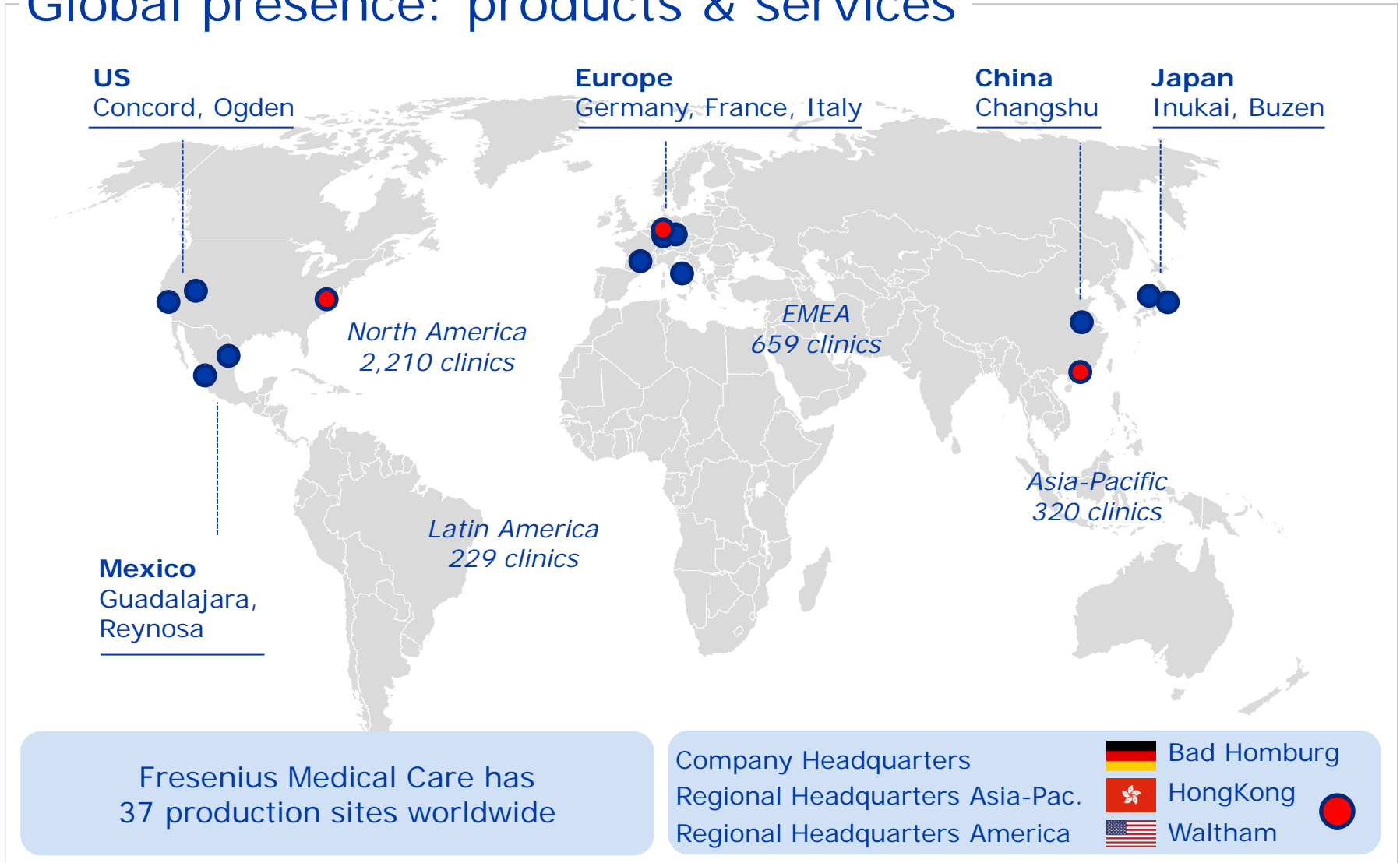


■ FME
■ Competitors

Dialysis machines



Global presence: products & services



AGENDA



Market dynamics

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Credit highlights

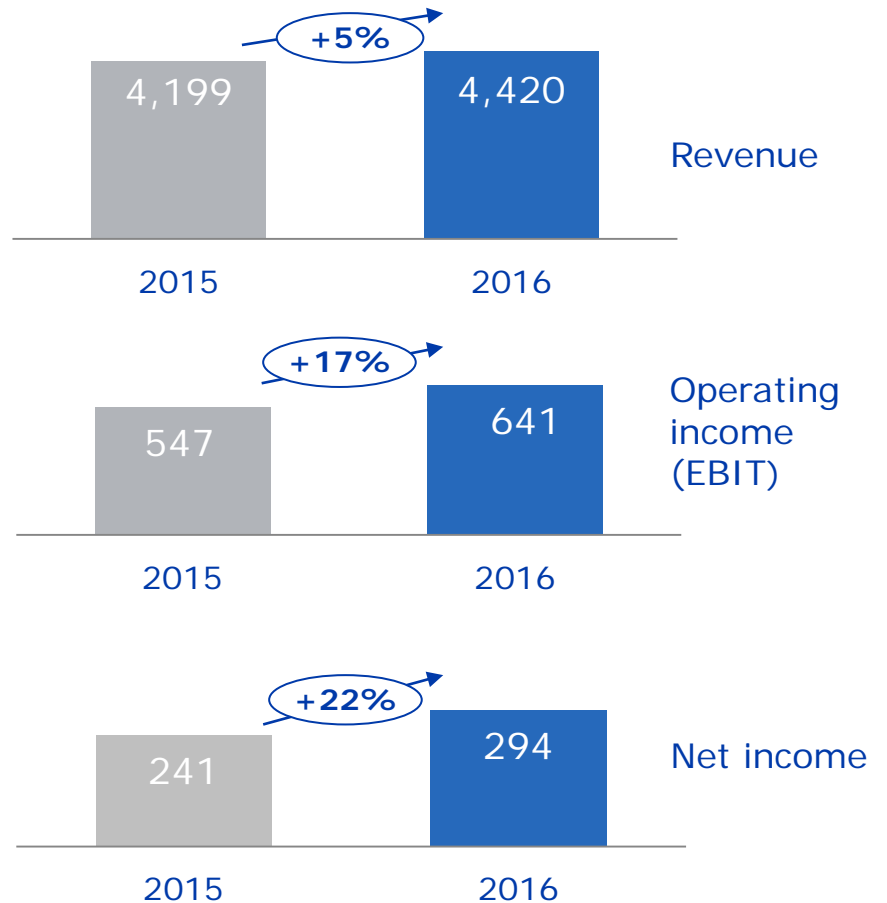
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Q2: Accelerated earnings growth

Q2 2016 Highlights

- ▶ Solid revenue growth driven by very good results in health care services
- ▶ North America again with excellent operating performance
- ▶ Care Coordination continues to show significant top-line growth
- ▶ New innovative hemodialysis therapy system 6008 launched in May
- ▶ For the first time providing services to more than 300,000 patients worldwide
- ▶ On track to achieve full year guidance

Q2 2016 Performance (US\$ million)



Diagrams: different scales applied

Q2: Solid revenue development in all segments

North America

US\$ million

Revenue	3,168	+8%
Organic growth		+7%

EMEA

US\$ million

Revenue	676	+3%cc
Organic growth		0%

Asia-Pacific

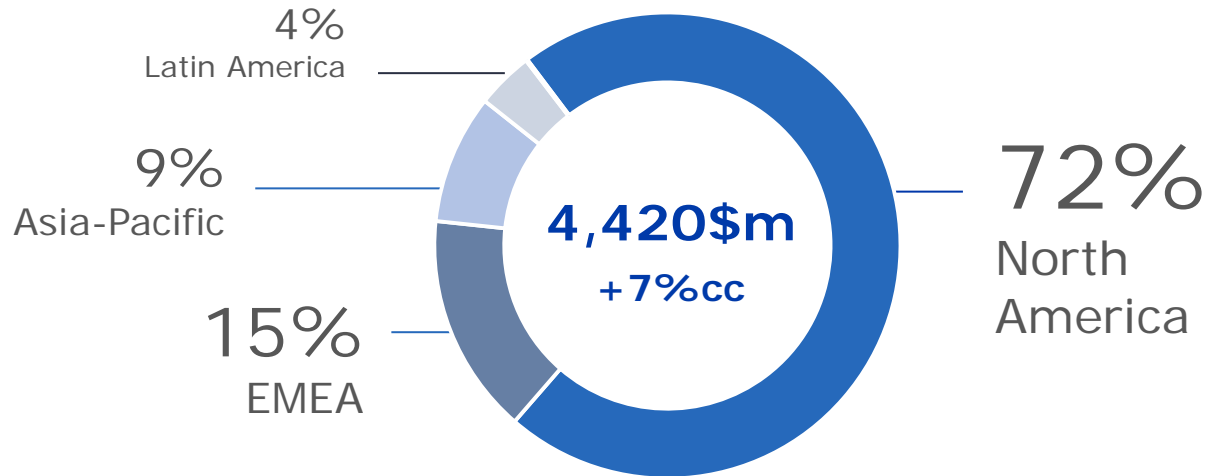
US\$ million

Revenue	397	+6%cc
Organic growth		+7%

Latin America

US\$ million

Revenue	175	+9%cc
Organic growth		+17%

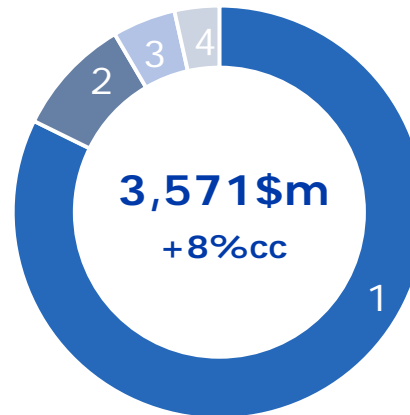


cc = constant currency, corporate revenue = \$4m

Q2: Health care services revenue continues to grow

	Q2 2016 US\$ million	Q2 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
Total health care	3,571	3,345	7	8	7	3
North America	2,938	2,722	8	8	7	3
of which Care Coordination	564	468	21	21	17	n.a.
EMEA	331	309	7	9	3	3
Asia-Pacific	177	164	8	2	4	5
Latin-America	125	139 ¹	(10) ¹	18*	19	2

- ▶ 4% increase in dialysis treatments
- ▶ Positive impact from a higher volume with commercial payers
- ▶ Care Coordination with significant organic growth



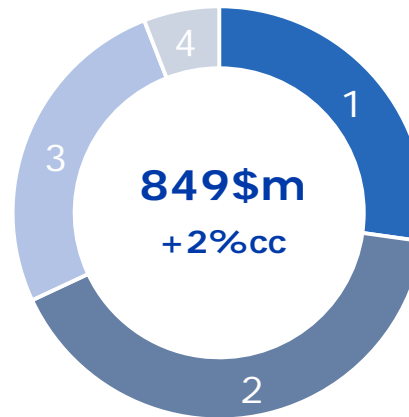
1	North America	82%
2	EMEA	9%
3	Asia-Pacific	5%
4	Latin America	4%

¹ Pro-forma health care services revenue, reflecting sale of Fresenius Medical Care's clinics in Venezuela in July 2015 (\$11 million revenue in Q2 2015).

Q2: Dialysis products grow despite strong Q2 2015

	Q2 2016 US\$ million	Q2 2015 US\$ million	Growth in %	Growth in %cc
Total dialysis products	849	854	(1)	2
North America	230	224	2	2
EMEA	345	359	(4)	(3)
Asia-Pacific	220	212	4	9
Latin America	50	53	(5)	8
Corporate	4	6	(30)	(31)

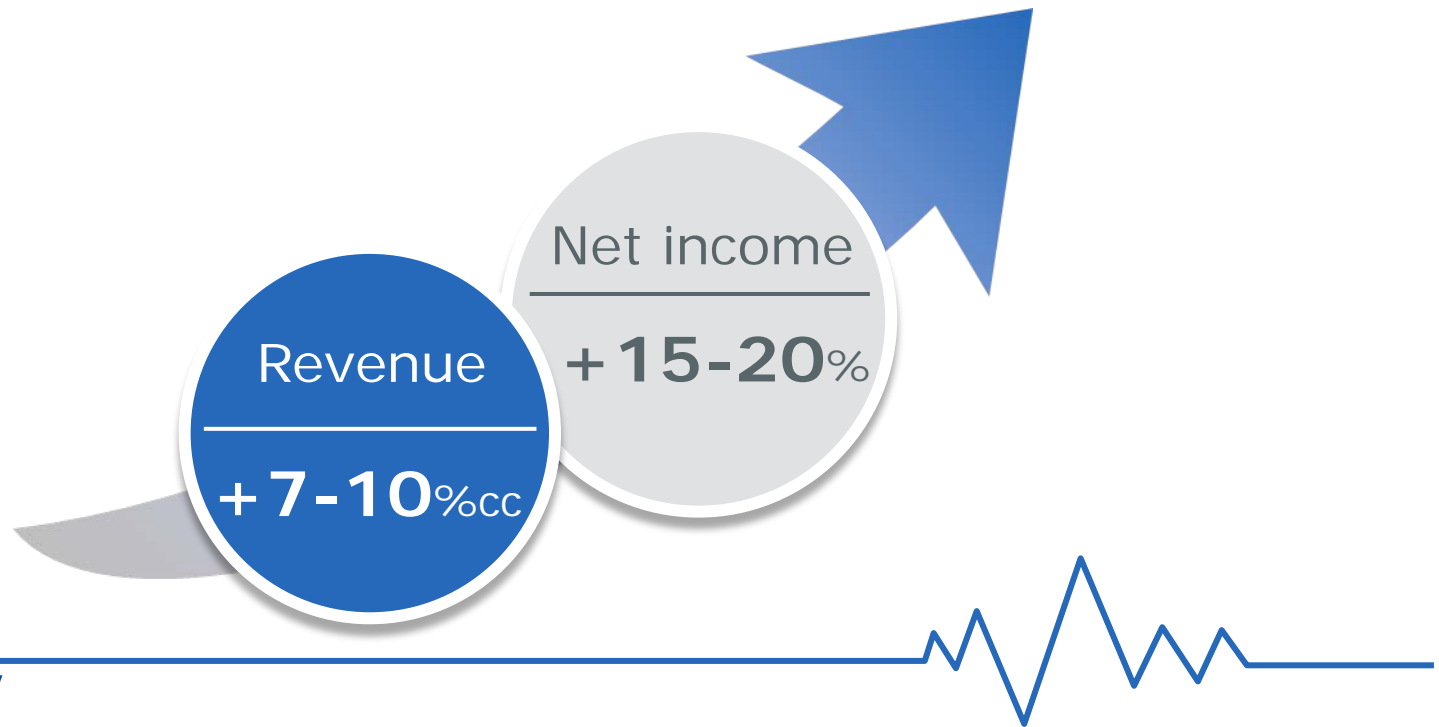
- ▶ Increased sales of dialyzers and machines
- ▶ Very tough comparison due to exceptionally strong performance in the comparable quarter last year
- ▶ Foreign currency headwinds outside of North America



1	North America	27%
2	EMEA	41%
3	Asia-Pacific	26%
4	Latin America	6%

cc = constant currency

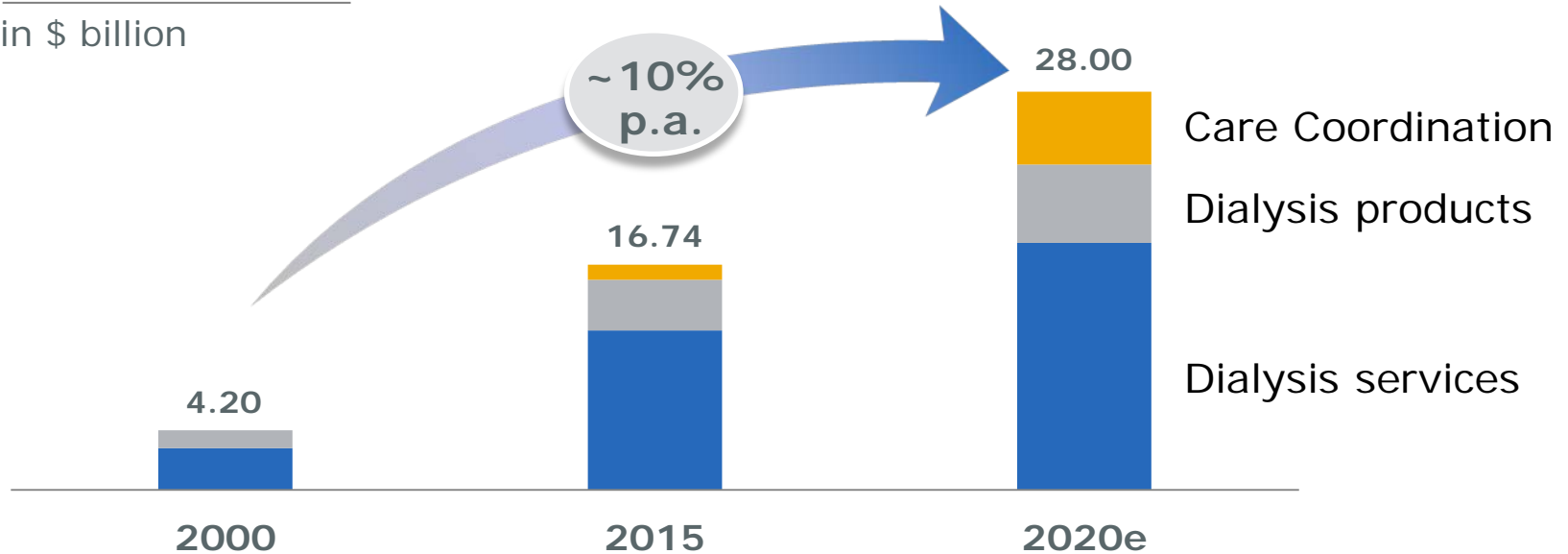
Outlook 2016 confirmed



- ▶ 2016 net income growth outlook is based on current exchange rates
- ▶ Savings from the Global Efficiency Program are included
- ▶ Acquisitions 2015/2016 are not included
- ▶ Net income growth based on US\$ 1,057 million in 2015

Long-term goals up to 2020

Revenue
in \$ billion



- ▶ We expect an average increase in net income in the high single-digit percentage range for the same period.
- ▶ We will continue to grow our dialysis services and products business.
- ▶ We plan to further expand our Care Coordination activities.

AGENDA



Market dynamics

1

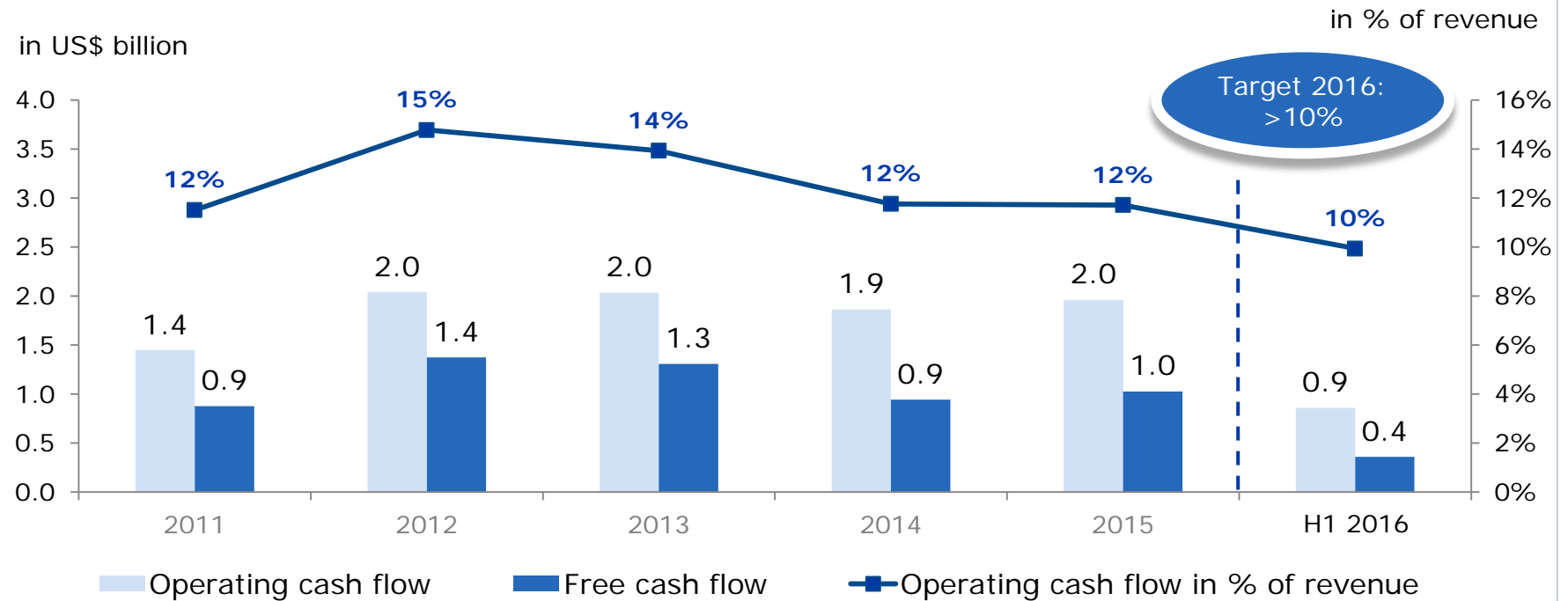
Business update & outlook

2

Credit highlights

3

Strong cash flow development



- ▶ Steady and predictable operating cash flow
- ▶ Target: Cash flow generation of >10% of total revenue
- ▶ Strong free cash flow of ~US\$ 1 billion p.a. on average

Clear priorities for use of cash

Capital allocation

1 Capital expenditures

- Guidance 2016: \$1.0 - \$1.1bn
- Capex breakdown: ~50% maintenance, ~50% expansion

2 Acquisitions & investments

- Guidance 2016: \$750m
- Strong cash flow allows for opportunistic approach

3 Dividend

- Dividend 2016: EUR 0.80 per share
- Dividend to grow approx. in line with net income

4 Deleverage/ Incremental shareholder return

- Deleverage
- Additional acquisitions
- Special cash dividend
- Share buyback

2014-2020*:

~\$11bn
(~\$8bn dialysis products & services,
~\$3bn Care Coordination)

2014-2020*:

~\$3bn

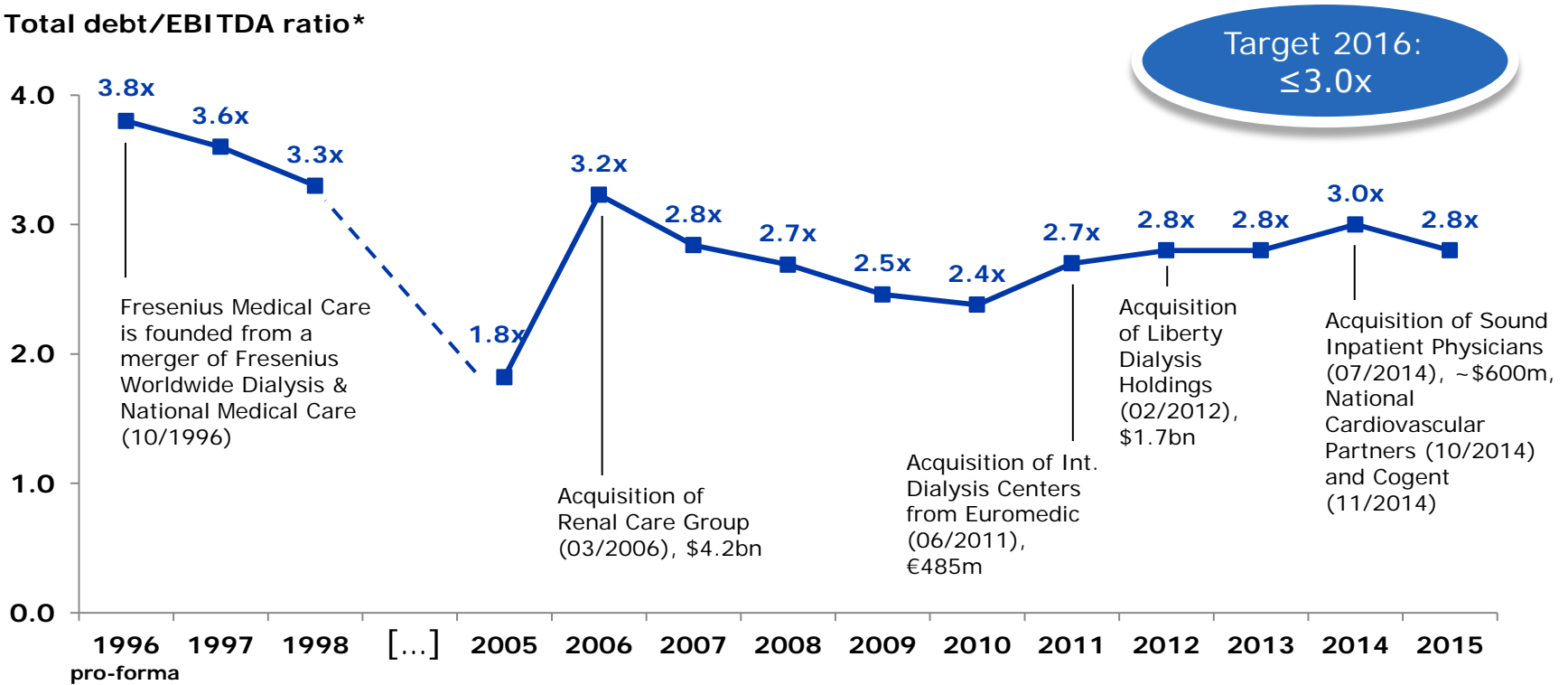
2014-2020*:

~\$2bn

* As announced at the Fresenius Medical Care Capital Markets Day 2014.

Healthy leverage profile: Debt/EBITDA

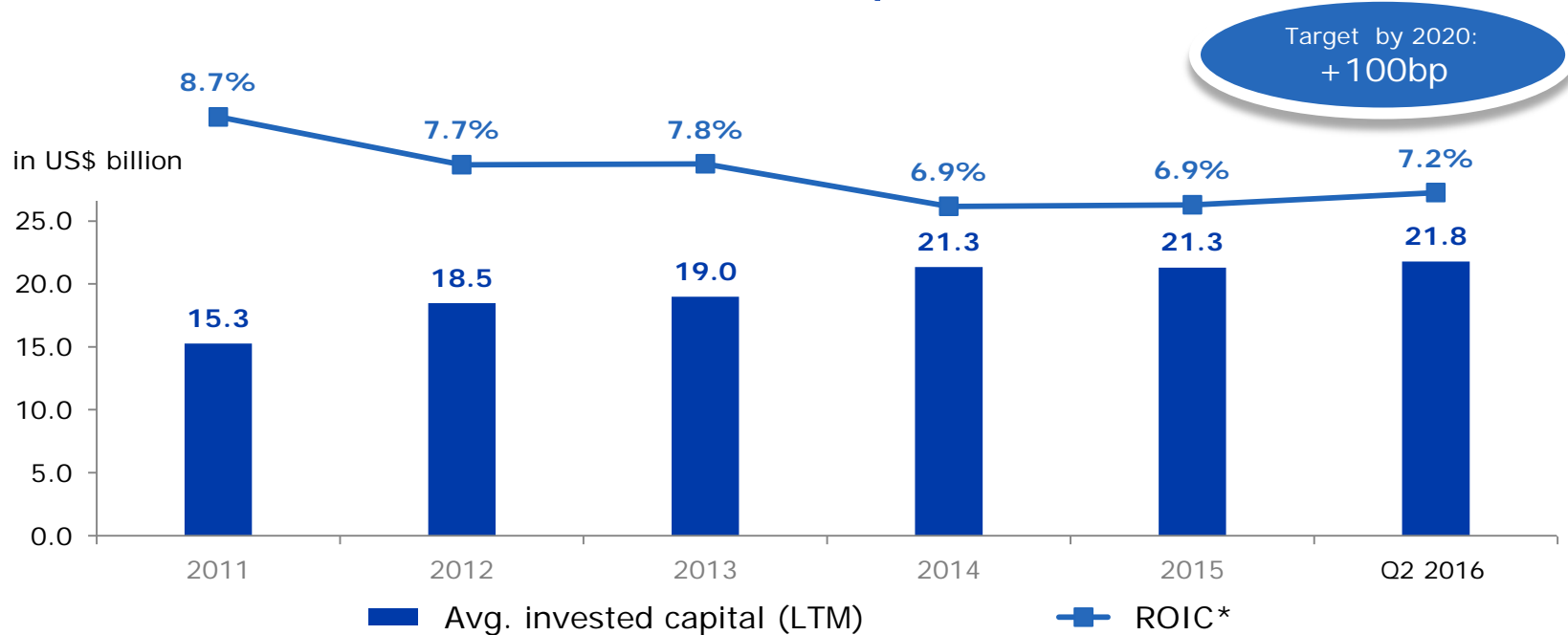
Total debt/EBITDA ratio*



- ▶ History of successful deleveraging after large acquisitions
- ▶ Clear commitment to keep leverage ratio at or below 3.0x

* Reclassification of debt issuance costs from current/non-current asset to long-term liabilities as of 2010.

Solid returns on invested capital



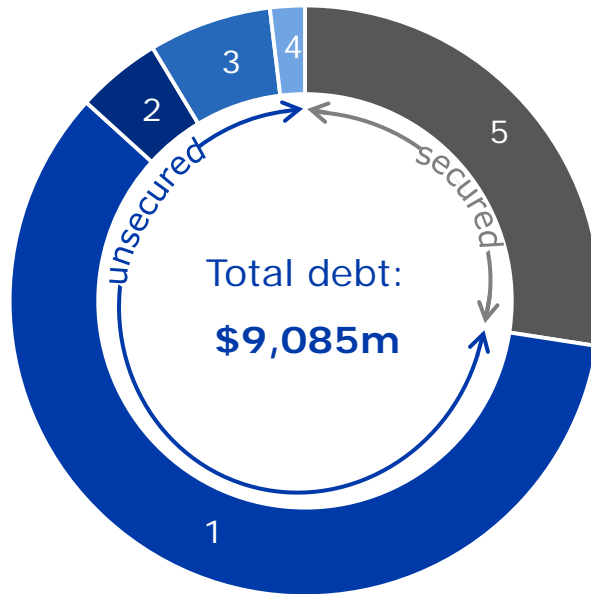
- ▶ Long-term value creation based on accretive acquisitions and organic growth
- ▶ New business segment Care Coordination still in investment mode
- ▶ ROIC to improve by 100 basis points by 2020**

* Based on net operating profit after tax (NOPAT) and average invested capital over the last twelve months.

** As announced at the Fresenius Medical Care Capital Markets Day 2014.

Diversified financing mix

As of June 30, 2016



1	Senior notes	59%
2	Equity-neutral convertible bond	5%
3	Commercial paper	7%
4	Other financial liabilities	2%
5	Senior secured credit facilities	27%

Funding strategy

- Ensure financial flexibility through diversification of financing instruments
- Optimize cost of capital
- Limit financial risks
- Balance maturity profile

Well balanced debt maturity profile¹

in \$ million



¹ based on utilization of major financing instruments, as of June 30, 2016.

² weighted-average time-to-maturity as of June 30, 2016.

Credit ratings

	Standard & Poor's	Moody's	Fitch
Long-term	BBB-	Ba1	BBB-
Outlook	stable	stable	stable
Secured debt	BBB-	Baa3	BBB-
Unsecured debt	BB+	Ba2	BBB-

- ▶ Fresenius Medical Care's credit ratings allow for good access to the international capital markets at all times
- ▶ Strong cash flow and sufficient debt capacity provide flexibility to finance opportunistic acquisitions if needed

Financing highlights



Strong and predictable cash flow generation



Resilient credit profile and healthy balance sheet



Solid and improving returns on invested capital



Diversified mix of financing instruments



Well-balanced maturity profile

20 YEARS

CREATING A FUTURE
WORTH LIVING

Attachment 1

Reconciliation of non-US-GAAP financial measures to the most comparable US-GAAP measure

US\$ million

Debt	FY 2014 ¹⁾	FY 2015	Q2 2016
Short term borrowings	133	109	705
+ Short term borrowing from related parties	5	19	3
+ Current portion of long-term debt and capital lease obligations	314	664	675
+ Long-term debt and capital lease obligations less current portion	9,014	7,854	7,702
TOTAL debt	9,466	8,646	9,085

EBITDA	FY 2014 ²⁾	FY 2015 ²⁾	Q2 2016 ²⁾
Last twelve month operating income (EBIT)	2,347	2,327	2,466
+ Last twelve month depreciation and amortization	716	717	739
+ Non-cash charges	57	83	89
EBITDA (annualized)	3,120	3,127	3,294
Total Debt ¹⁾ / EBITDA	3.0	2.8	2.8

1) Reclassification of debt issuance costs from current / non-current assets to long-term liabilities

2) EBITDA: including largest acquisitions

Attachment 2

Reconciliation of non-US-GAAP financial measures to the most comparable US-GAAP measure

US\$ million

Cash Flow	Q2 2015	Q2 2016	H1 2015	H1 2016
Acquisitions, investments and net purchases of intangible assets	(79)	(213)	(101)	(304)
+ Proceeds from divestitures	24	146	35	147
= Acquisitions and investments, net of divestitures	(55)	(67)	(66)	(157)
Capital expenditures, net	Q2 2015	Q2 2016	H1 2015	H1 2016
Purchase of property, plant and equipment	(217)	(256)	(418)	(506)
- Proceeds from sale of property, plant & equipment	3	4	7	8
= Capital expenditure, net	(214)	(252)	(411)	(498)

H1: Health care services & product revenue

	H1 2016 US\$ million	H1 2015 US\$ million	Growth in %	Growth in %cc	Organic growth in %	Same market growth in %
Total health care services	6,985	6,527	7	9	7	4
North America	5,770	5,293	9	9	7	3
of which Care Coordination	1,086	902	20	20	17	-
EMEA	632	610	4	8	3	4
Asia-Pacific	345	328	5	3	4	6
Latin-America	238	296	(20)	9	17	2

	H1 2016 US\$ million	H1 2015 US\$ million	Growth in %	Growth in %cc
Total dialysis products	1,641	1,632	1	4
North America	442	424	4	4
EMEA	675	687	(2)	1
Asia-Pacific	426	401	6	12
Latin America	90	105	(14)	2
Corporate	8	15	(48)	(48)

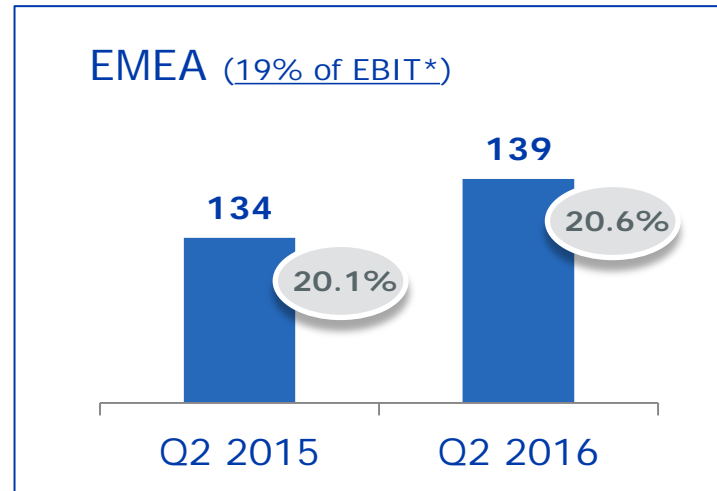
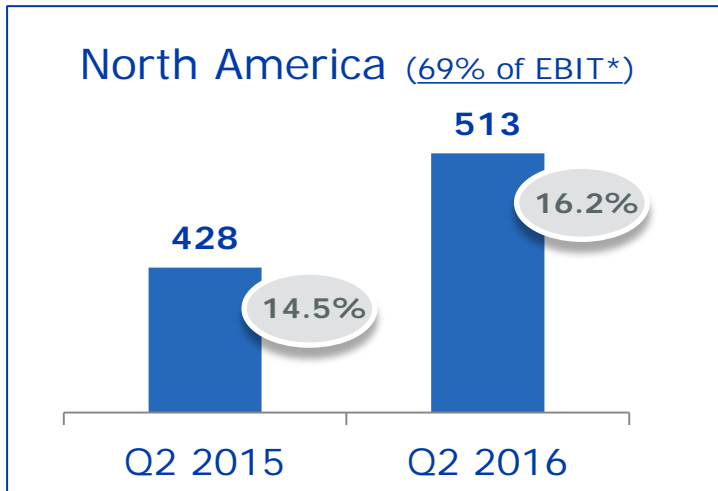
cc = constant currency

Q2/H1: Strong profit increase

	Q2 2016 US\$ million	Q2 2015 US\$ million	Growth in %	H1 2016 US\$ million	H1 2015 US\$ million	Growth in %
Net revenue	4,420	4,199	5	8,626	8,159	6
Operating income (EBIT)	641	547	17	1,181	1,051	12
<i>EBIT-margin in %</i>	14.5	13.0	150bp	13.7	12.9	80bp
Net interest expense	102	102	1	208	204	2
Income before taxes	539	445	21	973	847	15
Income tax expense	169	135	24	306	273	12
<i>Tax rate in %</i>	31.3	30.4	90bp	31.5	32.2	(70bp)
Non-controlling interest	76	69	11	145	124	17
Net income	294	241	22	522	450	16

- ▶ Revenue for the first half increased by 8% constant currency, in line with full-year guidance.
- ▶ Net income supported by lower cost for healthcare supplies and savings from Global Efficiency Program.

Q2: Margin improvement across all segments

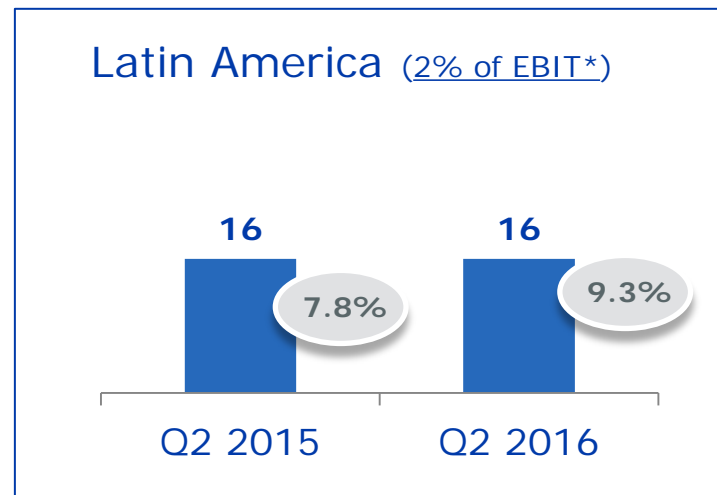
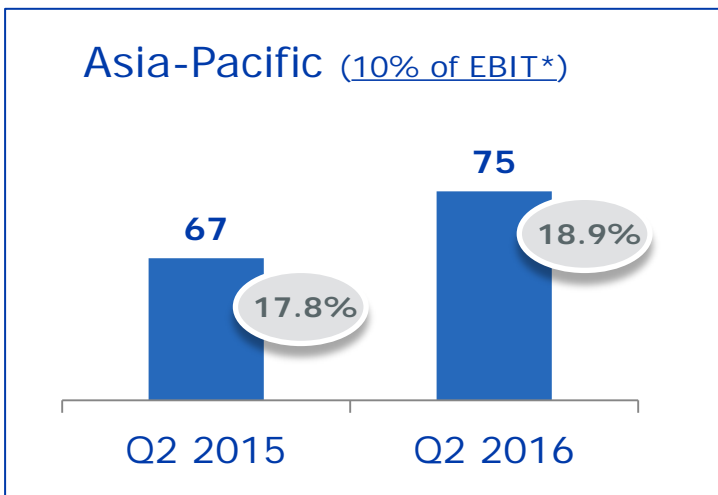


in US\$ million

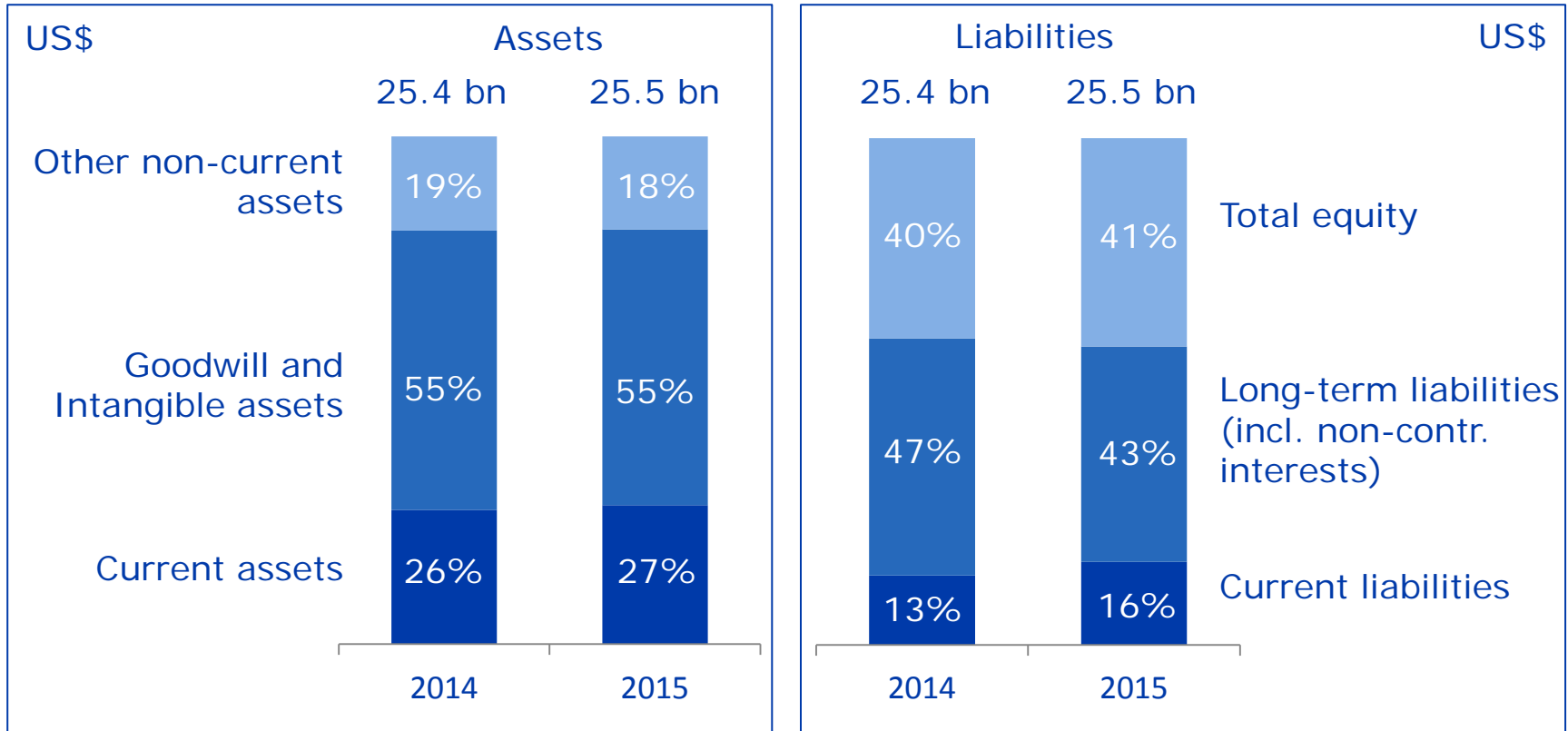
■ EBIT

○ EBIT-margin

Diagrams: different scales applied



Solid balance sheet



- ▶ Stable proportion of assets & liabilities as of December 31, 2015
- ▶ Strong equity ratio of 41% in 2015 (+100bp yoy)

H1: Patients, treatments, clinics

	Patients as of June 30, 2016	Treatments H1 2016, in million	Clinics as of June 30, 2016
North America	186,096	14.2	2,249
Growth in %	4	5	2
EMEA	58,528	4.3	700
Asia-Pacific	27,007	1.9	324
Latin America	29,917	2.3	231
Total	301,548	22.8	3,504
Growth in %	4	4	2

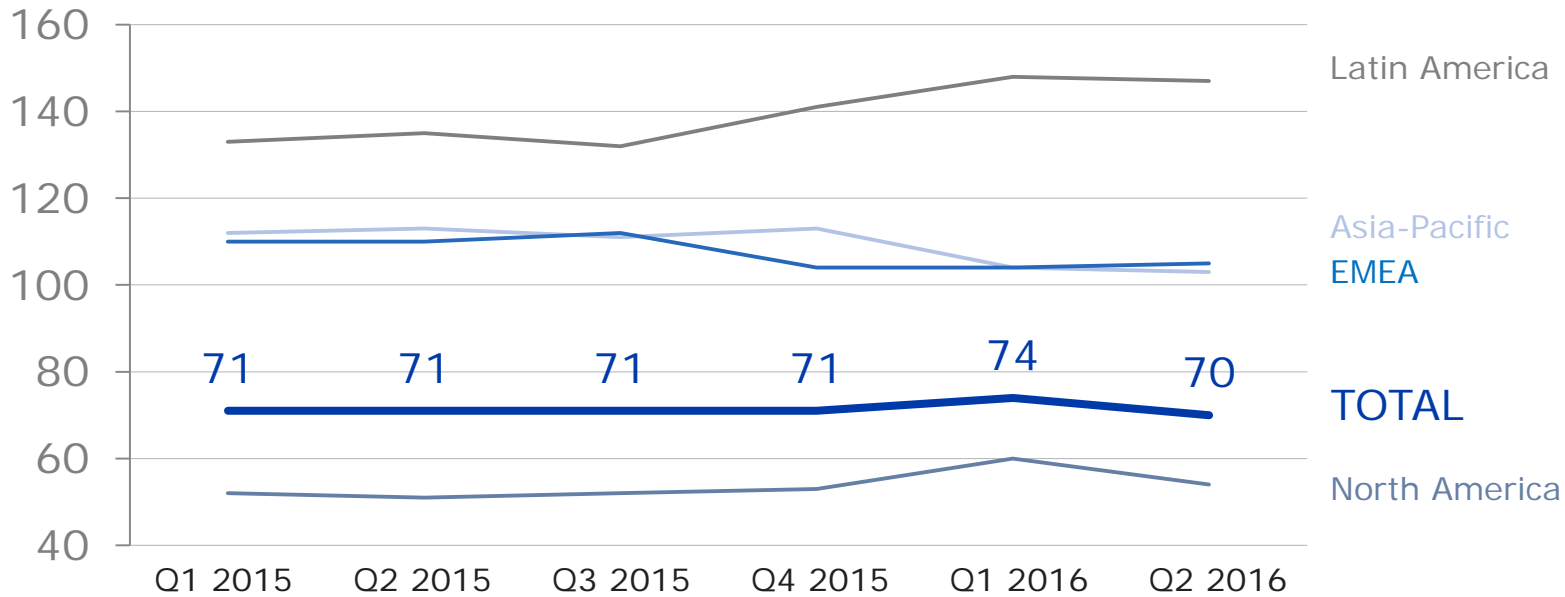
Q2: Quality outcomes remain stable

% of patients	North America		EMEA		Latin America ¹		Asia-Pacific ¹	
	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016
Kt/V \geq 1.2	98	98	96	96	92	92	97	97
No catheter (>90 days)	84	85	81	82	82	82	91	91
Hemoglobin = 10 – 12 g/dl	73	72	77	78	52	52	58	58
Hemoglobin = 10 – 13 g/dl (International)	78	77	77	77	69	68	66	66
Albumin \geq 3.5 g/dl	81	82	90	91	90	90	87	89
Phosphate \leq 5.5 mg/dl	63	64	76	78	77	75	71	70
Calcium 8.4 – 10.2 mg/dl	83	84	73	74	74	76	75	74
Hospitalization days, per patient	10.0	10.0	9.4	9.4	3.6	3.5	4.0	4.3

¹ Outcome data in these regions might be more volatile over time as clinic data will be added.

Day sales outstanding (DSO)

in days



- ▶ The DSO increase in the North America Segment in Q1 2016 is mainly due to an adjustment which impacted invoicing. This effect was largely resolved in Q2 2016.

Exchange rates

		Q2 2015	H1 2015	Q2 2016	H1 2016
€:\$	Period end	1.119	1.119	1.110	1.110
	Average	1.105	1.116	1.129	1.116
\$:CNY	Period end	6.200	6.200	6.643	6.643
	Average	6.204	6.221	6.543	6.539
\$:RUB	Period end	55.729	55.729	64.421	64.421
	Average	52.674	57.932	65.828	70.165
\$:ARS	Period end	9.105	9.105	14.911	14.911
	Average	8.960	8.822	14.211	14.326

U.S. dialysis days per quarter

	Q1	Q2	Q3	Q4	Full year
2014	76	78	79	80	313
2015	76	78	79	79	312
2016	78	78	79	79	314
2017	77	78	79	78	312

Capitalization as of June 30, 2016

	30-Jun-16			LTM EBITDA ¹
	in \$ m	in € m	% of total capitalization	
Cash and cash equivalents	723	651	2.07%	
Revolving credit facility	0	0	0.00%	
Term Loan A USD	2,200	1,982	6.30%	
Term Loan A EUR	293	264	0.84%	
Total credit agreement debt	2,493	2,246	7.14%	0.8
Senior Notes	5,386	4,851	15.42%	
Convertible bonds	422	380	1.21%	
A/R facility	0	0	0.00%	
Commercial Paper	611	550	1.75%	
Other debt less total debt issuance costs ²	173	156	0.50%	
Total net debt	8,362	7,532	23.94%	2.5
Market capitalization	26,573	23,936	76.06%	
Total capitalization	34,935	31,468	100.00%	

¹ Based on annualized EBITDA (Q2 2016) of \$3,294m.

² Consists of other bank debt (incl. short term debt), capital lease obligations.

³ Based on no. of shares and FME closing share price as of June 30, 2016.

NOTE: Debt balances based on exchange rate of USD/EUR of 1.1102 as of June 30, 2016.

2020 growth strategy

**Opening up
new business
areas**

**Growing in our
core business**



**Enhancing
products and
treatments**

**Increasing
flexibility and
efficiency**

Constant currency: Changes in revenue include the impact of changes in foreign currency exchange rates. We use the non-GAAP financial measure “at constant exchange rates” in our filings to show changes in our revenue without giving effect to period-to-period currency fluctuations. Under U.S. GAAP, revenues received in local (non-U.S. dollar) currency are translated into U.S. dollars at the average exchange rate for the period presented. When we use the term “constant currency,” it means that we have translated local currency revenues for the current reporting period into U.S. dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. dollars that we used to translate local currency revenues for the comparable reporting period of the prior year. We then calculate the change, as a percentage, of the current period revenues using the prior period exchange rates versus the prior period revenues. This resulting percentage is a non-GAAP measure referring to a change as a percentage “at constant exchange rates.”

We believe that revenue growth is a key indication of how a company is progressing from period to period and that the non-GAAP financial measure constant currency is useful to investors, lenders, and other creditors because such information enables them to gauge the impact of currency fluctuations on its revenue from period to period. However, we also believe that data on constant currency period-over-period changes have limitations, particularly as the currency effects that are eliminated could constitute a significant element of our revenue and could significantly impact our performance. We therefore limit our use of constant currency period-over-period changes to a measure for the impact of currency fluctuations on the translation of local currency revenue into U.S. dollars. We do not evaluate our results and performance without considering both constant currency period-over-period changes in non-U.S. GAAP revenue on the one hand and changes in revenue prepared in accordance with U.S. GAAP on the other. We caution the readers of this report to follow a similar approach by considering data on constant currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenue prepared in accordance with U.S. GAAP. We present the fluctuation derived from U.S. GAAP revenue next to the fluctuation derived from non-GAAP revenue. Because the reconciliation is inherent in the disclosure, we believe that a separate reconciliation would not provide any additional benefit.

Financial calendar *

Oct 27, 2016	Report on 3 rd quarter 2016
Sep 7, 2016	Baird's Global Healthcare Conference, New York
Sep 14, 2016	BAML Global Healthcare Conference, London
Sep 20, 2016	Berenberg & Goldman Sachs Corporate Conference, Munich
Sep 21, 2016	Baader Investment Conference, Munich
Sep 22, 2016	Bernstein's Strategic Decision Conference, London
Sep 29, 2016	JP Morgan Investor Forum, Milan

* Please note that dates and/or participation might be subject to change

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